



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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Division Director

October 31, 2003

TO: Lowell P. Braxton, Director

THRU: Mary Ann Wright, Associate Director

THRU: Wayne Hedberg, Permit Supervisor

FROM: Doug Jensen, Senior Reclamation Engineer.

RE: Request for Approval of Form and Amount of Transfer from Valley Asphalt to Staker & Parson Companies, and Replacement Reclamation Surety, Lehi Quarry, M/049/031, Utah County, Utah

On June 11, 2002, the Division received a phone call from Mike Dalley of Staker & Parson informing us that they were going to take over Valley Asphalt, Inc.'s Lehi and Ekinis East Quarries, located in Utah County. On August 1, 2002, Staker submitted permit fees for the operations and informed us that they were checking into the bonding requirements to transfer the projects from Valley Asphalt. In May, 2003, we were informed that Valley Asphalt, Inc. was taking out bankruptcy. In July, 2003, a Division Directive was sent to Staker & Parsons to file an appropriate transfer form and replacement surety within 60 days. Staker & Parson requested additional time to complete the transfer process, which was granted until October 31, 2003.

On October 29, 2003, we received a completed package from Staker and Parson including: 1) a completed transfer form from Valley Asphalt to Staker & Parson Companies; 2) a Reclamation Contact; and 3) surety bond # ~~100000000~~ issued by XL Specialty Insurance Company. The surety company is on the federal register listing of acceptable bonding companies and has an A+ rating on the A.M. Best rating guide.

If you are in agreement with the acceptance of the reclamation surety please sign and date the documents. We will then issue final Division approval for the transfer of this mine from Valley Asphalt, Inc. and release them from any further liability and name Staker and Parson Companies as the responsibility party for all mining and reclamation responsibility. We will send the executed copies of the pertinent documents to the respective companies.

Staker and Parsons has informed us they are still working on completing the transfer of the Ekins East Quarry and will be submitting that in the very near future. Thank you for your consideration of this request.

jb

Enclosure: MR-RC & surety

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